

PERS Education Service Credit

A Summary

This section contains information about service credit for members of the Public Employees' Retirement System (PERS) working for education employers. The information in this section applies only to school districts, educational service districts, higher education institutions, community and technical colleges, the State School for the Deaf, and the State School for the Blind.

Rules governing service credit are contained in state retirement law. This handbook summarizes those rules in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written here and state retirement law, the law will govern.

Service Credit Rules

The following section explains how PERS Education members earn service credit while working in eligible positions. If you have questions, contact PERS Retirement Services.

Note: For the purposes of granting service credit in all periods described below, the school year is September 1 through August 31.

September 1, 1991, and After

Plan 1

A PERS Plan 1 member working for an educational employer earns 12 months of service credit if all three of the following requirements are met. The member must:

- be employed in an eligible position;
- earn compensation in nine months of the school year; and
- be compensated for 630 hours or more.

Note: A member cannot earn service credit for months before employment in an eligible position. For example, a member who meets the criteria for a full year of service credit but is not employed in an eligible position until October can receive only eleven months of service credit that year.

A PERS Plan 1 member in an eligible position who does not meet the criteria for yearly service credit earns monthly service credit.

- When compensation is earned for 70 hours or more in a month, the member earns one month of service credit.
- When compensation is earned for less than 70 hours, the member earns $\frac{1}{4}$ month of service credit.

Plan 2 or Plan 3

A PERS Plan 2 or Plan 3 member working for an educational employer earns 12 months of service credit if all three of the following requirements are met. The member must:

- be employed in an eligible position;
- earn compensation in nine months of the school year; and
- be compensated for 810 hours or more.

A PERS Plan 2 or Plan 3 member who does not meet the criteria to earn a full year of service credit earns $\frac{1}{2}$ year (six months) of service credit if the member is:

- employed in an eligible position;
- compensated in nine months of the school year; and
- compensated for at least 630 hours but less than 810 hours.

A Plan 2 or Plan 3 member in an eligible position who does not meet the criteria to earn a full year or $\frac{1}{2}$ year of service credit earns monthly service credit as follows:

- A member compensated for 90 hours or more in a month earns one month of service credit.
- A member compensated for at least 70 hours but less than 90 hours in a month earns $\frac{1}{2}$ month of service credit.
- A member compensated for less than 70 hours in a month earns $\frac{1}{4}$ month of service credit.

Note: A member cannot earn service credit for months before employment in an eligible position. For example, a member who meets the criteria for a full year of service credit but is not employed in an eligible position until October can receive only 11 months of service credit that year.

September 1, 1990, through August 31, 1991

Plan 1

During the period from September 1, 1990, through August 31, 1991, a PERS Plan 1 member working for an educational employer earned 12 months of service credit if the member was:

- employed in an eligible position;
- compensated in nine months of the school year; and
- compensated for 630 hours or more in the school year.

A PERS Plan 1 member in an eligible position who did not meet the requirements to earn a full year of service credit earned service credit on a monthly basis as follows:

- A member compensated for 70 hours or more in a month earned one month of service credit.
- A member compensated for less than 70 hours in a month did not receive service credit for that month.

Note: For periods of service on and after September 1, 1990, a member cannot earn service credit for months before employment in an eligible position. For example, a member who meets the criteria for a full year of service credit but is not employed in an eligible position until October can receive only 11 months of service credit that year.

Plan 2 or Plan 3

During the period from September 1, 1990, through August 31, 1991, a PERS Plan 2 or Plan 3 member working for an educational employer earned 12 months of service credit if the member was:

- employed in an eligible position;
- compensated in nine months of the school year; and
- compensated for 810 hours or more in the school year.

A PERS Plan 2 or Plan 3 member in an eligible position who did not meet the requirements to earn a full year of service credit earned service credit on a monthly basis as follows:

- A member compensated for 90 hours or more in a month earned one month of service credit.
- A member compensated for less than 90 hours in a month did not earn service credit for that month.

Note: For periods of service on and after September 1, 1990, a member cannot earn service credit for months before employment in an eligible position. For example, a member who meets the criteria for a full year of service credit but is not employed in an eligible position until October can receive only 11 months of service credit that year.

Prior to September 1, 1990

Plan 1

Before September 1, 1990, a PERS Plan 1 member working for an educational employer earned 12 months of service credit if the member:

- was employed in an eligible position,
- was continuously employed for nine months, and
- earned service credit in at least nine calendar months of the contract or school year. (A member earned service credit when compensated for at least 70 hours of employment in a month.)

A PERS Plan 1 member in an eligible position who did not meet the requirements to earn a full year of service credit earned service credit on a monthly basis as follows:

- A member compensated for 70 hours or more in a month earned one month of service credit.
- A member compensated for less than 70 hours in a month did not receive service credit for that month.

Note: Before September 1, 1990, there were some exceptions to the service credit rules. Refer to the section “Exceptions...” on pages 3—6 PERS ED for information about:

- school district employees who fell below 70 hours a month between September 1, 1983, and August 31, 1990; and
- employees with a contract year other than September 1 through August 31.

Plan 2 or Plan 3

Before September 1, 1990, a PERS Plan 2 member working for an educational employer earned 12 months of service credit if the member:

- was employed in an eligible position;
- was continuously employed for nine months; and
- earned service credit in at least 9 calendar months of the contract or school year. (Members earned service credit if they received compensation for at least 90 hours of employment in a month.)

A PERS Plan 2 or Plan 3 member in an eligible position who did not meet the requirements to earn a full year of service credit earned service credit on a monthly basis as follows:

- A member compensated for 90 hours or more in a month earned one month of service credit.
- A member compensated for less than 90 hours in a month did not earn service credit for that month.

Note: Before September 1, 1990, there were some exceptions to the service credit rules. Refer to the section “Exceptions . . .” on pages 3—6 PERS ED for information about:

- school district employees who fell below 90 hours a month between September 1, 1983, and August 31, 1990;
- employees with a contract year other than September 1 through August 31; and

Exceptions for Periods Prior to September 1, 1990

Prior to September 1, 1990, the following exceptions applied to PERS Plan 1 members working for education employers.

School District Employees—Scheduled School Closures

From the 1983—84 school year through the 1989—90 school year, school district employees may have earned service credit although their hours fell below 70. This exception applied in calendar months when the school closed for a vacation period of five or more consecutive calendar days (including Saturday and Sunday).

- A Plan 1 member in an eligible position earned service credit for such a month if the member was compensated for an average of at least 3½ hours for each day the school was open during the month.

Note: Beginning January 1987, status code C was used to report a member qualified for service credit in those months.

Contract Year Other Than September 1—August 31

Before September 1, 1990, employers were required to notify DRS of a Plan 1 member's contract year if:

- the member's contract year covered a period other than September 1 through August 31, and
- the member met the annual service credit rule (even if he or she worked and earned service credit in less than 12 months of the year).

Employees of Educational Service Districts

Prior to September 1990, Plan 1 members employed by educational service districts were not eligible for a full year of service credit unless they worked at least 70 hours in all 12 months.

Service Credit and Contributions

September 1, 1991, and After

Because a PERS member earns at least partial service credit in any month in which he or she earns compensation, an employer should always take contributions on any amount of reportable compensation earned on or after September 1, 1991.

January 1, 1987, through August 31, 1991

For earning periods from January 1987 through August 1991, employee and employer contributions were due only when a member earned service credit. When a member did not earn service credit, no contributions were due. To determine whether a member was earning service credit during that period, refer to the section “Service Credit Rules” on the preceding pages.

Note: During this period a member could consolidate hours of employment with more than one employer to earn service credit if each position was eligible. If a member’s hours from all eligible positions totaled 70 or more (PERS Plan 1) or 90 or more (PERS Plan 2 or Plan 3) in a month, contributions were due on all reportable compensation paid to the employee that month.

Prior to January 1, 1987

Before January 1, 1987, contributions for all plans were due on all regular compensation earned by a member working in an eligible position, whether or not service credit was earned.

PERS Education Employers A Table of Current Service Credit Rules	
Plan 1	Plan 2 and Plan 3
<p>On or after September 1, 1991</p> <p><i>A member employed in an eligible position earns service credit as follows:</i></p> <p>If compensated in nine months of the school year and for 630 hours or more = 12 months of service credit*</p> <p><i>A member employed in an eligible position who does not qualify for a full year of service credit earns service credit as follows:</i></p> <p>70 hours or more of compensation in a month = one month of service credit</p> <p>Some compensation but less than 70 hours in a month = $\frac{1}{4}$ month of service credit</p>	<p>On or after September 1, 1991</p> <p><i>A member employed in an eligible position earns service credit as follows:</i></p> <p>If compensated in nine months of the school year and for 810 hours or more = 12 months of service credit*</p> <p>If compensated in nine months of the school year and for at least 630 hours but less than 810 hours = 6 months of service credit</p> <p><i>A member employed in an eligible position who does not qualify for a full or half year of service credit earns service credit as follows:</i></p> <p>90 hours or more of compensation in a month = one month of service credit</p> <p>70 hours but less than 90 hours of compensation in a month = $\frac{1}{2}$ month of service credit</p> <p>Some compensation, but less than 70 hours in a month = $\frac{1}{4}$ month of service credit</p>

* On and after September 1, 1990, a member cannot earn service credit for any month prior to employment in an eligible position. For example, a member who meets the criteria for a full year of service credit but is not employed in an eligible position until October can receive only 11 months of service credit for that year.